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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/698,497	10/30/2003	Jim E. Rainey	30000064-0052	9592
26263 7590 07/22/2009 SONNENSCHN NATH & ROSENTHAL LLP P.O. BOX 061080 WACKER DRIVE STATION, WILLIS TOWER CHICAGO, IL 60606-1080				
EXAMINER				
KAZMI, HANI M				
ART UNIT		PAPER NUMBER		
3691				
MAIL DATE		DELIVERY MODE		
07/22/2009		PAPER		

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary

Application No.

10/698,497

Applicant(s)

RAINEY, JIM E.

Examiner

Hani Kazimi

Art Unit

3691

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 26 February 2009.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-26 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-26 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SE/US)
Paper No(s)/Mail Date _____
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date _____
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____

DETAILED ACTION

Continued Examination Under 37 CFR 1.114

1. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on February 26, 2009 has been entered.

Response to Applicant's Amendment

2. Applicants' amendments filed on February 26, 2009 have been fully considered, and discussed in the next section below or within the following rejections under 35 U.S.C. § 103. Applicants' request for allowance is respectfully denied.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-12 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Based on Supreme Court precedent and recent Federal Circuit decisions, a 35 U.S.C § 101 process must (1) be tied to a particular machine or (2) transform underlying subject matter (such as an article or materials) to a different state or thing. In re Bilski et al, 88 USPQ 2d 1385 CAFC (2008); Diamond v. Diehr, 450 U.S. 175, 184 (1981); Parker v. Flook, 437 U.S. 584, 588 n.9 (1978); Gottschalk v. Benson, 409 U.S. 63, 70 (1972); Cochrane v. Deener, 94 U.S. 780,787-88 (1876).

An example of a method claim that would not qualify as a statutory process would be a claim that recited purely mental steps. Thus, to qualify as a § 101 statutory process, the claim should positively recite the particular machine to which it is tied, for example by identifying the apparatus that accomplishes the method steps, or positively recite the subject matter that is being transformed, for example by identifying the material that is being changed to a different state.

Here, Applicant's method steps are not tied to a particular machine and do not perform a transformation. Thus, the claims are non-statutory.

The mere recitation of the machine in the preamble with an absence of a machine in the body of the claim fails to make the claim statutory under 35 USC 101.
Note the Board of Patent Appeals Informative Opinion Ex parte Langemyer et al.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
 2. Ascertaining the differences between the prior art and the claims at issue.
 3. Resolving the level of ordinary skill in the pertinent art.
 4. Considering objective evidence present in the application indicating obviousness or nonobviousness.
3. Claims 1-26 are rejected under 35 U.S.C. 103(a) as being unpatentable over Davis et al (US 6269361) in view of Canali et al (US 7272579).

Claims 1, 7, 13 and 19, Davis teaches receiving a plurality of primary bids from plurality of primary bidders respectively displaying an associated advertisement within a results page of a search based on a search string (abstract, col. 5, lines 35-52).

Davis does not explicitly teach receiving a selectively placed secondary bid from a secondary bidder to increase a monetary amount of one of the primary bids of one of the primary bidder; and storing the bids.

However, Canali teaches the concepts of combining a first bid and a second bid of first vendor and a second vendor respectively and storing the second bid (col. 16, line

63 through col. 17, lines 3; col. 18, lines 8-10). Canali teaches this concept in the reverse auction format in which the lowest bid wins and in which the combination of the primary bid and the secondary bid decreases the price. However, it would have been obvious to one of ordinary skill in the art at the time of the invention to modify Davis (forward auction format) to include this concept of combining bids as taught by Canali (concept as exemplified in reverse auction format) for the obvious reason of increasing the chances of being placed at a more advantageous spot in the search result list.

Davis and Canali do not explicitly teach *"to increase a monetary amount of one of the primary bids"* as recited in the claims. However, these recitations are treated as intended use of the second receiving step. The examiner notes that the intended use (or field of use) of the claimed invention must result in a structural difference between the claimed invention and the prior art in order to patentably distinguish the claimed invention from the prior art. If the prior art structure is capable of performing the intended use, then it meets the claim. In a claim drawn to a process of making, the intended use must result in a manipulative difference as compared to prior art. See *In re Casey*, 370 F.2d 576, 152 USPQ 235 (CCPA 1967) and *In re Otto*, 312 F.2d 937, 939, 136 USPQ 458, 459 (CCPA 1963).

Claims 2, 8, 14, 17, 20 and 23, Davis teaches wherein the primary bid is expressed as a price-per-action that the primary bidder is willing to pay for a particular action (fig. 9). Davis does not explicitly teach wherein each of the primary bidders is a retailer of one or more products or services and the secondary bidder is a manufacturer

of at least one of those products or services. However, Canali teaches primary bidders and secondary bidders. Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to modify Davis and Canali combination to have the primary bidders and the secondary bidders in Canali be associated with the retailer and manufacturer in order to expand the field of use of the system, thereby enhancing its functionality.

Claims 3, 9, 15, 18, 21 and 24: Davis teaches wherein the particular action is selected from the group consisting of a cost-per-acquisition, a cost-per-lead, and a cost-per-click (fig. 9).

Claims 4, 11 and 26: Davis does not explicitly teach comprising allowing more than one secondary bidder to selectively place a secondary bid to augment the primary bid of the primary bidder.

However, Canali teaches the concepts of combining a first bid and a second bid of first vendor and a second vendor respectively and storing the second bid (col. 16, line 63 through col. 17, lines 3; col. 18, lines 8-10). It would have been obvious to one of ordinary skill in the art at the time of the invention to modify Davis to allow combining bids as taught by Canali for the obvious reason of increasing the chances of being placed at a more advantageous spot in the search result list.

Claims 5, 10, 16, 22 and 25: Davis teaches comprising determining an order in which the associated advertisement of each bidder is to be displayed on the results page. Davis does not explicitly teach that the order is based on a combination of the primary bidder and each secondary bid associated therewith.

However, Canali teaches the concepts of combining a first bid and a second bid of first vendor and a second vendor respectively and storing the second bid (col. 16, line 63 through col. 17, lines 3; col. 18, lines 8-10). It would have been obvious to one of ordinary skill in the art at the time of the invention to modify Davis to allow combining bids as taught by Canali for the obvious reason of increasing the chances of being placed at a more advantageous spot in the search result list.

Claims 6 and 12: Davis and Canali do not explicitly teach wherein each secondary bid augments the primary bid only for a defined time period. However, official notice is hereby taken that the concept of specifying a time period for which a bid is submitted is old and well known. It would have been obvious to one of ordinary skill in the art at the time of the invention to modify the combination Davis and Canali to include this feature for the obvious advantage of providing flexibility to the bidders.

Response to Arguments

4. Applicant's arguments with respect to claims have been considered but are moot in view of the new ground(s) of rejection.

Conclusion

5. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Hani Kazimi whose telephone number is (571) 272-6745. The examiner can normally be reached Monday-Friday from 8:30 AM to 5:00 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's Supervisor, Alexander Kalinowski can be reached on (571) 272-6771. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Hani M. Kazimi/

Primary Examiner, Art Unit 3691